Complex enrollment processes, requirements to apply at welfare offices, lengthy delays in refunding premiums deducted from cash payments, and the lack of effective, coordinated outreach and problem-solving systems have all been identified as issues that impede program effectiveness. Identifying and enrolling those entitled to benefits has been a significant challenge of the buy-in programs. Moreover, administration of the buy-in programs by different Medicaid systems of the 50 states and the District of Columbia make the benefit unevenly available across the country.

The importance of the buy-in programs to low-income Medicare beneficiaries should not be underestimated. Because of their greater-than-average health care costs, and because Medicare does not cover many services critical to older and disabled people, individuals eligible for buy-in programs can benefit greatly from the extra income they retain when they are relieved of cost-sharing responsibilities. The obvious and most important aspect of the buy-in programs is that they put income back into the pockets of low-income people who can use it to pay for food, clothing, shelter, unreimbursed medical expenses and other necessities of life.

Mr. Speaker, we look forward to public comment on the technical features of the bill, and hope it will have widespread support in the 106th Congress.

HONORING SHELDON L. GOLDBERG ON HIS RETIREMENT

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 14, 1998

Mrs. MORELLA. Mr. Speaker, it is my great pleasure to congratulate my constituent Sheldon L. Goldberg on his retirement as President of the American Association of Homes and Services for the Aging (AAHSA), after more than fifteen years of service. The AAHSA is a national nonprofit organization representing 5,000 nursing homes, continuing care retirement communities, senior housing and assisted living facilities and community service organizations for the elderly. The AAHSA is a leader in the development of an integrated continuum of care for frail elderly people and individuals with disabilities. I am familiar with the AAHSA through their nursing facilities and retirement communities in Maryland, including Asbury Methodist Village in Gaithersburg, the Friends House Retirement Community in Sandy Springs, the Hebrew Home of Greater Washington in Rockville, and the National Lutheran Home in Rockville. Mr. Goldberg, who has been a force in the long-term care field for more than twenty years, is leaving the AAHSA to become the CEO of the Jewish Home and Hospital in New York City.

During his tenure at the AAHSA, Mr. Goldberg has been instrumental in expanding the organization's focus in several key areas, including public policy advocacy. In addition, the AAHSA's array of services has grown under his guiding hand, and now includes capital financing through the AAHSA Development Corporation, professional certification for retirement housing professionals, and continuing care retirement accreditation through the Continuing Care Accreditation Commission. Mr. Goldberg also spearheaded the AAHSA's movement to include ''Services'' in its name and initiated the development of the International Association of Homes and Services for the Aging, serving as its president since 1994.

In addition to serving as President of the AAHSA since 1982, Mr. Goldberg currently serves on the United States board of the International Leadership Center on Longevity and Society, the board of Generations United, and the Housing Development Reporter advisory board. He served as president of the National Assembly of National Voluntary Health and Social Welfare Organizations from 1992 through 1995, when he was the recipient of the 1995 Award for Excellence in the National Executive Leadership Forum. In 1995 and 1996, Mr. Goldberg served as chair of the Leadership Council of Aging Organizations, a coalition of national organizations concerned with the well-being of America's elderly and committed to representing the elderly's interests in the federal policy arena.

Prior to joining the AAHSA, Mr. Goldberg held the position of executive director of the Wisconsin Association of Homes for the Aging for three years. Prior to that he was director of the Wisconsin County Boards Association and a budget analyst at the Wisconsin Department of Health and Human Services. A native of Wisconsin, Mr. Goldberg received his bachelor's degree in political science, psychology and sociology and his master's degree in psychology at the University of Wisconsin, where he also did his graduate work in public administration.

Sheldon Goldberg has been a tireless advocate for the needs of older Americans. I know his colleagues join me in recognizing his many years of service to the AAHSA and in wishing him health, happiness and personal fulfillment in his future endeavors.

INTRODUCTION OF SMALL BUSINESS FRANCHISE ACT OF 1998

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 14, 1998

Mr. CONYERS. Mr. Speaker, I am pleased to be introducing the ''Small Business Franchise Act of 1998'' along with my good friend from North Carolina Mr. COBLE. This legislation represents the culmination of many months of work in crafting legislation which creates an appropriate balance between the rights of franchisors and franchisees.

There is currently no federal law establishing standards of conduct for parties to a franchise contract. The Federal Trade Commission rule promulgated in 1979 (16 C.F.R. 436), was designed to deter fraud and misrepresentation in the pre-sales process and provides disclosure requirements and prohibitions concerning franchising and business opportunity ventures. However, the FTC has consistently maintained that it has no jurisdiction over problems franchisees face after the franchise agreement is entered into.

In the absence of any federal controls or regulation, a number of problems and complaints have been lodged in recent years, principally stemming from the fact that franchisees do not have equal bargaining power with large franchisors. The concerns include the following:

Taking of Property without Compensation. The franchise relationship almost always includes a post-termination covenant not-to-compete which prohibits the franchisee from becoming an independent business owner in a similar business upon expiration of the contract. This can have the effect of appropriating to the franchisor all of the equity built up by the franchisee without compensation.

Devaluation of Assets. Franchisors often induce a franchisee to invest in creating a business and then establish a competing outlet in such proximity to the existing franchisee that it causes significant damage or destruction to the existing franchised business.

Restraint of Trade. Most franchise relationships mandate that franchisees purchase supplies, equipment, furniture, or other items from the franchisor or sources affiliated with or approved by the franchisor. While it may be appropriate for franchisors to exercise some control concerning the characteristics of the products or services offered to franchisees, tying franchisees to certain vendors can cost franchisees millions of dollars, prevents competition among vendors, and can have an adverse impact upon consumers.

Inflated Pricing. Many franchise agreements specify that the franchisor has the right to enter into contractual arrangements with vendors who sell goods and services to franchisees that are mandated by the franchise agreement. It has been alleged that these vendors often provide kickbacks, promotional fees, and commissions to the franchisor in return for being allowed to sell their products and services to a captive market. Instead of passing these kickbacks, promotional fees, and commissions on to the franchisee to reduce their cost of goods sold and increase their margin, these payments, it is asserted, benefit the franchisor.

While our nation has enjoyed an unprecedented economic boom, it is essential that we in Congress insure that prosperity reaches down to the small businesses that make up the heart and soul of our economy. There is of course little time left in the 105th Congress to allow for consideration and inaction of this legislation. However, I am hopeful that this legislation will be at the top of the Judiciary's committee agenda when we return next year, and I will be seeking hearings on this matter at the earliest occasion.

The following is a section-by-section description of the legislation.

SECTION 1. SHORT TITLE; TABLE OF CONTENTS

Sets forth the short title of the Act and the table of contents.

SECTION 2. FINDINGS AND PURPOSE

Subsection (a) specifies a series of Congressional findings. Subsection (b) states that the purpose of the Act is to promote fair and equitable franchise agreements, to establish uniform standards of conduct in franchise relationships, and to create uniform private Federal remedies for violations of Federal law.

SECTION 3. FRANCHISE SALES PRACTICES

Subsection (a) prohibits any person, in connection with the advertising, offering, or sale of any franchise, from (1) employing a device, scheme, or artifice to defraud; (2) engaging in an act, practice, course of business, or pattern of conduct which operates or is intended to operate as a fraud upon